



Federal Bureau of Investigation

Washington, D.C. 20535

MR ERNIE LAZAR
APARTMENT 6
577 SOUTH THORNHILL ROAD
PALM SPRINGS, CA 92264 7884

January 30, 2008

Infoz Hca

✓ Subject: DODD, NORMAN/1952 - 1955 AND 1958 - 1970

FOIPA No. 1017582- 001

Dear Requester:

The enclosed documents were reviewed under the Freedom of Information/Privacy Acts (FOIPA), Title 5, United States Code, Section 552/552a. Deletions have been made to protect information which is exempt from disclosure, with the appropriate exemptions noted on the page next to the excision. In addition, a deleted page information sheet was inserted in the file to indicate where pages were withheld entirely. The exemptions used to withhold information are marked below and explained on the enclosed Form OPCA-16a:

Section 552

- ☐ (b)(1)
- ☒ (b)(2)
- ☐ (b)(3) _____
- _____
- _____
- ☐ (b)(4)
- ☐ (b)(5)
- ☒ (b)(6)

- ☐ (b)(7)(A)
- ☐ (b)(7)(B)
- ☒ (b)(7)(C)
- ☒ (b)(7)(D)
- ☐ (b)(7)(E)
- ☐ (b)(7)(F)
- ☐ (b)(8)
- ☐ (b)(9)

Section 552a

- ☐ (d)(5)
- ☐ (j)(2)
- ☐ (k)(1)
- ☐ (k)(2)
- ☐ (k)(3)
- ☐ (k)(4)
- ☐ (k)(5)
- ☐ (k)(6)
- ☐ (k)(7)

51 page(s) were reviewed and 51 page(s) are being released.

☐ Document(s) were located which originated with, or contained information concerning other Government agency(ies) [OGA]. This information has been:

- ☐ referred to the OGA for review and direct response to you.
- ☐ referred to the OGA for consultation. The FBI will correspond with you regarding this information when the consultation is finished.

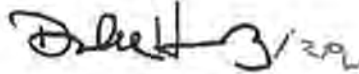
☒ You have the right to appeal any denials in this release. Appeals should be directed in writing to the Director, Office of Information and Privacy, U.S. Department of Justice, 1425 New York Ave., NW, Suite 11050, Washington, D.C. 20530-0001 within sixty days from the date of this letter. The envelope and the letter should be clearly marked "Freedom of Information Appeal" or "Information Appeal." Please cite the FOIPA number assigned to your request so that it may be easily identified.

☐ The enclosed material is from the main investigative file(s) in which the subject(s) of your request was the focus of the investigation. Our search located additional references, in files relating to other individuals, or matters, which may or may not be about your subject(s). Our experience has shown, when ident, references usually contain information similar to the information processed in the main file(s). Because of our significant backlog, we have given priority to processing only the main investigative file(s).

If you want the references, you must submit a separate request for them in writing, and they will be reviewed at a later date, as time and resources permit.

☒ See additional information which follows.

Sincerely yours,

A handwritten signature in black ink, appearing to read "D. Hardy", followed by a stylized flourish.

David M. Hardy
Section Chief
Record/Information
Dissemination Section
Records Management Division

Enclosure(s)

As a result of your administrative appeal to the Office of Information and Privacy (OIP), Department of Justice (DOJ), material was located responsive to your request. That material has been processed, and the releasable information is enclosed.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 01-22-2008 BY 60324/UC/BAW/STP/bls

FBI

Date: 1/27/58

Transmit the following in _____
(Type in plain text or code)

Via **AIRTEL** _____
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (100-109481)

FROM: SAC, NEW YORK [REDACTED]

SUBJECT: [REDACTED]
CONFIDENTIAL SOURCE

INDEXED - 39

Re NY airtel and letterhead memorandum dated 1/15/58.

Enclosed herewith is a photostat of a pamphlet entitled "Economic Council Letter - Who Finances Socialism and Communism?" by NORMAN DODD, dated 1/15/58. This was received in an envelope postmarked 1/22/58 from the above captioned source and is believed to refer to the information contained in reairtel and letterhead memorandum. Source did not include any explanation in envelope and the portions of the pamphlet marked off were apparently made by the source.

POWERS

3-Bureau (100-109481) (Enc. 1) RM

1-NY 100-116409 (Carnegie Foundation)
1-NY 100-112646 (Ford Foundation)
1-NY 100-115782 (Rockefeller Foundation)
1-NY 100-113307 (Use of Benevolent Trust Funds, Philanthropies and Ellemosynary Institutes to Implement the Progress of Subversive Groups)

ENCLOSURE

JFC:EG
(9)

EX-135

Approved: [Signature]

Special Agent in Charge

Sent

EX-135

Per

UNRECORDED COPY FILED IN 100-41177-100-325552

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ECONOMIC COUNCIL LETTER

January 15, 1958

1930—1958

Letter No. 423

Who Finances Socialism and Communism?

By NORMAN DODD

This Council Letter gives the view of an experienced economist, Mr. Norman Dodd of New York, formerly research director of the Reece Committee of the 83rd Congress. Mr. Dodd's independent studies over many years and his experience with certain of the tax-exempt American foundations have led him to conclude that the failure of education in this country is enabling much of the wealth of the country to be used so to change the structure of our American society as to lead to national breakdown.

Investigation by the Reece Committee of the House of Representatives of American foundations was rudely terminated in 1954 by factors that have never been satisfactorily explained.

Mr. Dodd's disclosures will throw light on the rapid gains of socialism and communism in the United States in fields other than education.

We commend this Letter to all Americans.

NATIONAL ECONOMIC COUNCIL

THIS description of a few of my experiences may help to clarify the progress of our national breakdown. Those which I shall describe span some thirty years. They stem from an effort which, personally, I found necessary to make to discover a rational answer to the question:

Why should we Americans, a people educated to revere freedom, tolerate the abridgment, by institutions whose capital has been created by private enterprise, of the rights upon which that freedom is based?

By "a rational answer" I mean one which would not require my becoming antagonistic toward anyone, in either thought or action. The result has been to find that, in spite of our revered education, we were not taught how to meet the attacks which have now long been made upon these rights. As a consequence, our present experiences are nothing more than proofs of this failure—of our inability to understand what caused the failure, and of our determination to do the best we can under the circumstances which exist because of the failure.

The efforts which enabled me to draw these conclusions were stimulated by studious explorations in the field of American history, which had been a long-standing interest of mine, as well as by my exposure to the original findings of such laymen as the late William Churchill, A. Paul de Saas, Thomas N. McNiece, Elbert O. Kelsey, the late Orlando Weber, Charles Williams, Paul M. Allen, and the late Wilford S. Conrow, which, when considered as a whole and combined with my own findings, indicated beyond any reasonable doubt that:

1) There was no excuse for education's failure to prepare us successfully to defend the rights upon the exercise of which our freedom rests.

2) Even now, this failure could be overcome were it not for some of us and some of our educators who bristle at adverse criticism of established custom, proper or improper. Persons who profit by this failure adjust to current conditions and brand as incomprehensible or unwarranted any suggestion for change.

IN retrospect, these findings, and the justification for action in accordance therewith, were dramatically highlighted upon an occasion when the basis for them was being explained by me to a small group in my own living room. One of the gentlemen present suddenly arose, stalked across the room to the hall, and asked me to step outside. There, shaking with anger, he informed me that he was one of probably a very few persons who appreciated the significance of the premises from which I was speaking—that his life was dedicated to seeing that these premises “never gained circulation”—and that, were he for any reason forced to “hear me out,” he would not be responsible for what happened to me—or to any member of my family. At that time, this man was a close adviser to the Secretary of the Treasury of the United States, and to one of our more important banking houses. Subsequently he was a key figure in the development of United States governmental control of atomic energy.

Not long afterward another experience gave me food for thought. This time my guests included a figure outstanding in the field of social engineering who was then active in the area of national planning. When the explanation of my thesis reached the point where it could be drawn upon to support the actions of our Founding Fathers and their advocacy of the Constitution, this man was vehement in his statement that such a thing could not be permitted because the future of the United States lay in socialism—socialism administered with characteristic American efficiency.

To me it is significant that none of the two hundred and fifty men and women to whom, over a ten-year period, I presented the idea of an educational failure in our country, could accept it. They admitted that it was beyond their power to grasp, or they became as angry as good manners would permit.

Ten more years of study that followed made it more and more apparent that the answer to our difficulties lay in the cultural realm of our national life. And creeping through these years of study grew the sinister feeling that this realm had been tampered with *deliberately*, and to the point where it would no longer serve us in our hour of need. Subsequently I was to be presented with an opportunity to confirm this conviction through my experiences with the Reece Committee and its investigation of our tax-exempt foundations.

LOOKING backward, two experiences stand out among the many which were to fill that year in Washington. One involved conversations with the officers of one of our largest foundations wherein they explained to me that its activities were being guided by three documents: the Sermon on the Mount, the Declaration of Independence, and the Constitution of the United States. They said that during and after World War II, the majority of its officers had worked with the Office of Strategic Services, the State Department, and the European Economic Administration—under directives which called for an alteration of the social structure of the United States so as to make co-existence with the Soviet Union possible. They said further that their foundation grants would, thereafter, be directed to this end; the inference being that therein lay our hope for a peaceful future, with all the benefits which this implied. Their wonder was that, having such a laudable objective, the foundation should have experienced such a bad press—and that the Congress should wish to investigate it!

When I suggested to these gentlemen that the foundation explain publicly that its grants were made to further this purpose—and thus dispel the confusion in the minds of the American people which their past grants had created—their answer was a horrified “No! Such a move would be unthinkable!”

It did not seem to occur to them that, while *legally* the foundation was privileged to operate as its officers saw fit, such disagreeable consequences as a bad press and a Congressional investigation could hardly be avoided unless the public were informed of *what* it was doing—and *why*. Rather than risk the candor of a clear statement of policy in the light of which its grants would at least appear logical—if not acceptable—they apparently preferred to rely upon an effort to control the press and thwart the Congress.

At a meeting with the officers and counsel of another large foundation to whom I had written, requesting answers to questions about grants made by it since the early 20's, they explained that the records which would produce the answers were in storage. They suggested that, instead, I or a member of my staff examine their Minute Books, beginning with the inception of their foundation. Through this medium I was afforded the opportunity to learn that in this country some men of prominence had been influential and bold enough to use the wealth at their command to involve the United States in war for the purpose of removing

the traditional differences between itself and the nations of Europe—and thereafter were powerful enough to transform their first successes into a permanent involvement of our people in the affairs of others. Apparently these officers had never read the early minutes themselves!

✓ **T**HESE experiences will illustrate what we should now know: that what has happened to us as a people was condoned by privately owned wealth and for this condition to continue, it is necessary that this knowledge be kept from us. We can anticipate that the power of wealth will continue to be employed for this purpose. And since these foundations are tax exempt, thereby placing an added burden on all other taxpayers, it means the whole people are being forced to contribute to the project of the destruction of the American system of private enterprise.

These happenings served me as clues. They indicated that the destructive ideas and deeds chargeable to essentially able men were simply their thoughtlessly undisciplined references to what the late Colonel E. M. House referred to as the fact that the social structure of the world had been wrongly organized to begin with. That such is the case becomes even more obvious in the light of what education in the United States should have embraced, assuming it had remained loyal to its obligations to develop citizens able "to secure the blessings of liberty to themselves and their posterity."

✓ Meanwhile such experiences and continued study made it clear to me that the deflection of the people of the United States from their original course as set forth in their Declaration of Independence and their now obvious inability to return to it—can be accounted for by their lack of knowledge regarding the use to which American wealth has been and is being put. It also becomes evident that, in the absence of this knowledge, the natural forces to which the affairs of men are subject would compel us to indulge in practices such as I have just exposed.

In brief, the significance of contemporary events is that they testify to our having become dependent upon these harmful practices inimical to our common good. They also testify to the existence of evil pressures which must be recognized and terminated. Pending these difficult accomplishments, we can expect to continue down the road we are now traveling, driven by the power of our own wealth. We can also anticipate the time when

this wealth will resort, in its own short-term interest, to the centralized controls for which socialism calls, and will continue to finance the development of such controls.

For the moment, in the minds of certain of these foundation leaders, these practices need to be disguised—made difficult to detect. We have not yet reached the point where we would countenance them if we knew them for what they really are or recognized why they have become so important a part of our national life.

IT is not easy to realize that we ourselves are our own enemy. As I said in my REPORT TO THE AMERICAN PEOPLE*:

Behind *events* in history lie *changes* in the practices by which men endeavor to live in harmony with one another and with their environment.

Behind the *changes* lie *ideas* which created the change.

Behind the *ideas* lie the *persons* who formulated the ideas.

Behind these *persons* lie "*others*" who see in the application of these ideas a means of demonstrating man's independence of God.

And behind these "*others*" lies the *power inherent in productive wealth*.

The regularity with which this sequence occurs, the similarity of the influences set in motion as a result, and the equality of circumstances to which these influences give rise—are discoveries of importance to be made by the historian of the future. They should be of inestimable worth to him because at last he will be able to explain historic phenomena in terms of impersonal cause and effect, and will provide him with a basis for judgment of ideas and practices free from the conflicting opinions which have so far prevented men from achieving either unity or peace.

✓ **P**ROPERLY defined, capitalism is "wealth engaged in the production of more wealth"; but we are busily engaged in the suicidal practice of *making money out of money*—and in adjusting ourselves to the consequences. We have relinquished the rights with which we have been endowed by our Creator—once guaranteed to us by our Constitution—for a mess of pottage composed of social security, welfare benefits, subsidies and the like.

✓ Communism, socialism, internationalism and world federalism are diversions designed by the powers of finance at the behest of those few capitalists who exploit us to hide their identity and

* NEC has a limited number of copies of this Report and they are available at 35c each postpaid.

insure benefits to themselves. As long as we permit them to remain unidentified and to operate, they will develop and continue to support an education to justify the results of their actions, and will finance this development. No educator will be able to resist the consequent pressures which our stupidities have released.

It is important, therefore, that we understand that the art by which we are attempting to live is not capitalism, but conform-ism. We must understand that communism is little more than a modern art designed to frighten us into conformity; that socialism is only a philosophical excuse for both; and that our drift toward one-world-ism is the logical consequence of pressures exerted by these exploiters to secure and exercise political power on a world-wide scale.

The seriousness of our toleration of these fallacies which deny the sanctity of private property becomes evident when we recall that our Founding Fathers, who were the advocates of liberty, knew that this sanctity was essential if the people were to protect themselves from tyranny. For to them property was the tool for the production of wealth. They presumed that, in return for the benefits of liberty, people would willingly assume the responsibility which accompanies ownership, would insist upon administering their own wealth, and that they would equip themselves educationally to do so.

HISTORY reveals that a civilization rises when its members demonstrate an ability to develop capital and falls when they do not; that their liberties expand in proportion to the willingness of the

individual to assume responsibility for the productivity of the capital which he owns; and they contract when he refuses to accept that responsibility. Advancing materialism and our inability to understand or unwillingness to accept these historical facts must end in bondage for us all.

Because education has neglected to inform us regarding these matters or to equip us to acquire this knowledge from experience, we hesitate to undertake such a prodigious step. We continue to rely upon the temporary benefits which materialism and irresponsibility seem to produce; and we try to convince ourselves that progress is being made.

An alternative to present practices cannot be proposed with any degree of logic until our property rights are returned by those who now exercise them, supposedly in our behalf. We are therefore challenged by the problem of how this is to be done and how civilization can be kept from destroying itself. The answers lie in a determined and purposefully organized effort to overcome our ignorance of the natural causes of human events. Procedures will be difficult because they must be based upon a concept which is not familiar to many of us today—the concept that men are governed by Natural Law, or, as our forefathers expressed it, “by the laws of Nature and of Nature’s God.”

Men must realize that capitalism, as exemplified by the use of it by certain foundations, and communism, respectively, are subjective and objective manifestations of *unbridled power*.

Our recognition of this fact is Nature’s way of awakening us to a danger that threatens our very existence as a people.

This Council Letter may be quoted in whole or part provided due credit is given to the National Economic Council, Inc., Empire State Building, New York 1, N. Y., and quotation is specified to be from Economic Council Letter 423, January 15, 1958.

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National Economic Council, Inc., Empire State Building, New York 1, N. Y.
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DATE 01-22-2008 BY 60324/UC/BAW/STP/bls

FBI

Date: 1/15/58

Transmit the following in PLAIN TEXT
(Type in plain text or code)

Via AIRTEL
(Priority or Method of Mailing)

Mr. Tolson ✓
Mr. Boardman ✓
Mr. Belmont ✓
Mr. Mohr ✓
Mr. Parsons ✓
Mr. Rosen ✓
Mr. Tamm ✓
Mr. Trotter ✓
Mr. Clayton ✓
Tele. Room ✓
Mr. Holloman ✓
Miss Gandy ✓

TO: DIRECTOR, FBI (100-109481)

FROM: SAC, NEW YORK [REDACTED]

SUBJECT: [REDACTED]
CONFIDENTIAL SOURCE

INDEXED - 51

On January 13, 1958, the above-captioned source furnished the information included in the eight copies of a blank memorandum which are being furnished to the Bureau. This information was furnished to SAS [REDACTED] and [REDACTED]. The source advised that the individual who had approached him mentioned in the enclosed blank memorandum was a Mr. DODD, the former chief investigator for the Reece Committee of the House of Representatives. The source stated that he would furnish the NYO any further information he would obtain concerning this matter. He said he was skeptical of the allegation made by DODD, but desired DODD's identity kept confidential.

POWERS

- 3 - Bureau (100-109481)
1 - New York (100-116409) (CARNEGIE FOUNDATION)
1 - New York (100-112646) (FORD FOUNDATION)
1 - New York (100-115782) (ROCKFELLER FOUNDATION)
1 - New York (100-113307) (USE OF BENEVOLENT TRUST FUNDS
PHILANTHROPIES AND ELLEMOSSYNARY INSTITUTE TO
IMPLEMENT THE PROGRESS OF SUBVERSIVE GROUPS)
1 - New York [REDACTED]

JFC:mc1 INDEXED - 51
(9)

18 JAN 16 1958

Approved: [Signature]

Special Agent in Charge

Sent

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Per

65 JAN 30 1958

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7-2-59 #4

8 ENCLCS 51

memo to Dep AG (1/15/58)
re: "Tax Exempt Foundations"
100-385355 with cc of 1/15/58
1-20-58 gth

100-109481-51

ICC of inc
& end out.
Jan 15 58 gth

SEC.



United States Department of Justice
Federal Bureau of Investigation

New York, New York
January 15, 1958

ALL INFORMATION CONTAINED
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DATE 01-22-2008 BY 60324/UC/BAW/STP/bls

Re: The Ford, Carnegie and Rockefeller
Foundations

A confidential informant who has furnished reliable information in the past advised on January 13, 1958, that about a week ago he and several other individuals were approached by a former employee of the Reece Committee of the House of Representatives, which was investigating tax exempt Foundations, such as the Ford, Carnegie and Rockefeller Foundations. This person said that he needed money to prepare a paper which would be based on testimony and records introduced at hearings of the Reece Committee. He pointed out that the work of the Reece Committee had been discontinued because of "liberal pressures". This paper would expose the fact that the directors of the Ford, Carnegie and Rockefeller Foundations have come to the conclusion that the world is inescapably moving toward Communism. They therefore feel that their projects should be directed toward fostering a liberal type of Communism rather than a ruthless militaristic type Communism as typified by Soviet Russia. The source stated that according to this individual these Foundations are attempting to place individuals who will foster this plan throughout the United States Government Service particularly in the State Department. The source stated that this individual advised that as of the present time the directors of the Foundations are very satisfied with the success that they have had in placing these individuals. The source said that this person told him that if the money can be raised the paper will then be presented to another unnamed foundation,

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12/30/58
R. 786

100-109481-51

ENCLOSURE

for publication.

This memorandum is loaned
to you by the Federal
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2-40 Federal Bureau of Investigation
Records Branch

1-17, 1958

☐ Name Check Unit - Room 6523
☐ Service Unit - Room 6524
☐ Forward to File Review
☐ Attention _____
☒ Return to Kleinlauf 1575
 Supervisor Room Ext.

Type of References Requested:

☐ Regular Request (Analytical Search)
☒ All References (Subversive & Nonsubversive)
☐ Subversive References Only
☐ Nonsubversive References Only
☐ Main _____ References Only

Type of Search Requested:

☐ Restricted to Locality of _____
☐ Exact Name Only (On the Nose)
☐ Buildup ☐ Variations
☐ Check for Alphabetical Loyalty Form

Subject Norman Dodd
 Birthdate & Place _____
 Address _____

Localities _____

R# _____ Date 1-17 Searcher Initials M.E.H.
FILE NUMBER SERIAL

I	97-3323
I	62-60537-362021
PI	X61-7566-1434:
I	X51-423-2p14;
PI	✓121-74698-5
I	X61-1292-879
I	X62-10110-10
I	X100-316012-105p14;
I	100-385355-A Frankfort
	5-17-58
	Frankfort
	8-5-54
I	100-385355-29
	I. ✓ 42p 5-81,
	89, 54, 195,
	736, 803, 80,
	810, 834, 84,
	1046-1048,
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DATE 01-22-2008 BY 60334/UC/BAW/STP/ble	

Assistant Attorney General
Internal Security Division

June 5, 1958

Director, FBI

REC-83

100-385355-59

EX-139

TAX EXEMPT FOUNDATIONS
INFORMATION CONCERNING
(INTERNAL SECURITY)

Reference is made to the memorandum from the
Internal Security Division dated May 28, 1958.

The following information is set forth in answer
to the request contained in referenced memorandum:

1. Norman Dodd, during the interview conducted by Special Agents of the New York Office on April 1, 1958, did not furnish the names of the grantor foundations or the names of the persons who conducted and compiled the survey concerning American history made by the American Historical Association. This Bureau is not in possession of a copy of this survey. However, a check of Bureau files reflects that this survey may be identical with the "Report of the Commission on Social Studies" which was published in several volumes, commencing in 1932, by the American Historical Association. In a speech in the House of Representatives on August 20, 1954, concerning the "Special Committee on Tax-Exempt Foundations," Congressman B. Carroll Reece referred to this report indicating that it was one of the projects of the Carnegie Foundation. A Photostat of a reprint from the "Congressional Record" of Reece's speech is enclosed. (100-385355-33)

The report of the House Committee on Un-American Activities (HCUA) "Hearings Before a Special Committee on Un-American Activities, House of Representatives, Seventy-Fifth Congress, Third Session, on H.Res. 282," Volume 4, issued in 1939, contains the testimony of [redacted] described as a Washington, D. C., lawyer and antisubversive writer. During his testimony [redacted] referred to the "Report of the Commission on Social Studies" of the American Historical Association and stated that [redacted] of education at Teachers' College, Columbia University, and [redacted] of schools, Washington, D. C., served on the commission which prepared the aforementioned report. [redacted] testimony in this regard appears on page 3044 of the HCUA's report. (61-7582, "Dies Committee Report, Volume 4")

100-385355

1 - 94-1 Sub 14850 (Carnegie Foundation)

See note on yellow, page 3.

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5.7 JUN 11 1958 JHK:bam (5)

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Assistant Attorney General
Internal Security Division

2. The "investigator" referred to on page two of the enclosure to my memorandum dated April 16, 1958, is [redacted]. The results of the interview with [redacted] were furnished the Department by my memorandum dated May 9, 1958.
3. Bureau files fail to reflect any pertinent information concerning the American Council of Learned Societies other than that contained in the report of Special Agent [redacted] dated July 16, 1954, at Washington, D. C., which report was referred to in referenced memorandum.

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For your information there is enclosed a Photostat of an article entitled "Foundations Probe Blasted as 'Fantasy,'" which appeared in the July 22, 1954, issue of "The Washington Post and Times Herald," in which the American Council of Learned Societies branded as fantasy the suggestions that it is "engaged in some kind of conspiracy with the foundations."

- ✓ 4. Dodd, during the course of the April 1, 1958, interview, did not furnish the names of the executives of the Ford Foundation who told him that while they were in Government service during World War II they worked under directives which indicated a hope for a reorientation of life in the United States in order to eventually merge with the Soviet Union. In this connection it is noted that the January 15, 1958, "Economic Council Letter," issued by the National Economic Council, Inc., contained an article by Norman Dodd entitled "Who Finances Socialism and Communism?" In this article Dodd makes a similar statement; however, it is at variance with the one set forth above in that Dodd claims the officers of one of our major foundations stated that during and after World War II "the majority of its officers had worked with the Office of Strategic Services, the State Department and the European Economic Administration—under directives which called for an alteration of the social structure of the United States so as to make co-existence with the Soviet Union possible." A Photostat of this article is enclosed.

~~Assistant Attorney General~~
Internal Security Division

The underscoring and marginal markings appearing on page two appeared thereon at the time the original of the Photostat was received by this Bureau and the identity of the individual who made such markings is unknown. The files of this Bureau contain no information concerning the existence and nature of the above directives. (100-385355, Unrecorded serial, cccof NY airtel 1-27-58 captioned [redacted])

This concludes the data requested by referenced Departmental memorandum.

Enclosures (3)

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NOTE:

In January, 1955, [redacted] reported he was contacted by Dodd, former research director for the Special Committee for the House of Representatives to Investigate Tax Exempt Foundations, commonly known as the Reece Committee. Dodd advised the source he could write a paper based on the testimony and records of the hearings which would expose the fact that the directors of the Ford, Carnegie and Rockefeller Foundations feel their projects should be directed toward fostering a liberal type of communism. This information was furnished Deputy Attorney General by Bureau memo 1-21-58. Department on 3-12-58 requested we discreetly determine validity of Dodd's allegations. New York Office interviewed Dodd 4-1-58 and results furnished Department 4-16-58. Washington Field Office interviewed Kathryn Casey 4-24-58 and results furnished Department 5-9-58. Attached memorandum sets out data concerning requests in Department memorandum 5-28-58. No further action or investigation remains. In view of the fact we are not conducting an investigation concerning captioned matter, the nonspecific nature of the information furnished by Dodd, and the variance between statements made to the interviewing Agents with those contained in Dodd's publications, it is believed we should not reinterview Dodd at this time.

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, Federal Bureau of Investigation

DATE: May 28 1958

FROM : J. Walter Yeagley, Acting Assistant Attorney
General, Internal Security DivisionSUBJECT: Tax Exempt Foundations
Information Concerning

Reference is made to your memorandum to this Division, dated April 16, 1958, captioned as above, and attaching an account of an interview dated April 7, 1958 with Mr. Norman Dodd conducted by the Bureau in New York City.

On page 3 of the attachment it is noted that Mr. Dodd stated that the American Historical Association was the recipient of grants from several major foundations in the late 1920's for the purpose of conducting a survey of what had transpired in American history. The memorandum further reflects in the same paragraph that Mr. Dodd made certain statements to the effect that the last volume of this survey indicated that the United States should be prepared for a collective society in the future. It is requested that you advise this Division if Mr. Dodd made available or if the Bureau has other information indicating the names of the grantor foundations and the name of the person or persons who conducted and compiled this survey.

It is also requested that, if available, this Division be furnished a copy of the last volume of this survey. It is also requested that the Bureau advise if Mr. Dodd identified the investigator referred to on page 2 of the attachment.

Relative to your reference to the American Council of Learned Societies, it is requested that, if available, this Division be furnished with any information it may have on this organization subsequent to that information reflected in the report of Special Agent [redacted] dated July 16, 1954, at Washington, D. C. and captioned, "American Council of Learned Societies".

It is noted that on page 4 of the referenced attachment that Mr. Dodd said that during the course of the investigation by the Reece Committee, he met with several of the executives in the upper echelon of the Ford Foundation. They told him that while they were in Government service during World War II they worked under directives which indicated a hope for a re-orientation of

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life in the United States in order to eventually merge with the Soviet Union. It is requested that this Division be advised as to whether Mr. Dodd made available the names of these executives. It is further requested that the Bureau advise if it has additional information concerning the existence and nature of such directives.



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Congressional Record

PROCEEDINGS AND DEBATES OF THE 83^d CONGRESS, SECOND SESSION

Special Committee on Tax-Exempt Foundations

SPEECH
OF

HON. B. CARROLL REECE

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, August 20, 1954

Mr. REECE of Tennessee. Mr. Speaker, I had hoped to avoid the necessity of making these remarks concerning the work of the Special Committee To Investigate Tax-Exempt Foundations, but recent events which, while not materially affecting the work of this committee, have been damaging to the entire principle of congressional investigations have left me no choice.

In my years of service in the Congress, I have never observed a better organized smear campaign against a congressional committee nor such wanton distortion of the facts by the public press. The editorials and articles appearing concurrently in the Daily Worker, the New York Times and Herald Tribune attacking the committee and its work would appear to be more than a coincidence.

Let me go back to the beginning of the work of this committee. As a member of the Cox committee, the predecessor of this committee, I had observed three bodies of evidence which seemed to me of great importance: The first pointed to Communist or Communist sympathizer infiltration into the foundations; the second pointed to a much broader condition, namely, foundation support of Fabian socialism in America; and the third pointed to the financial aspect of the foundations.

There are presently some 7,000 foundations with assets in excess of \$10 billion and with an annual income in excess of \$300 million.

Less than a dozen of these foundations are widely known to the public.

There is much to indicate that the thousands of foundations unknown to

the public are set up generally to avoid payment of taxes.

The number of foundations is rapidly increasing each year. They now have tremendous resources, which largely are taken out of our taxable income.

The tax-exempt foundations in America—big and little—are becoming a major concern.

Fabian socialism is not communism; it is a technique of nonviolent revolution by the consent of a duped, propagandized population.

It is the technique that brought socialism to Great Britain.

In the United States Fabian socialism has taken the name "New Deal" and "Fair Deal."

Of this there can be no doubt.

Norman Thomas, the long-time head of the Socialist Party in the United States, has publicly admitted that the New Deal almost put the Socialist Party out of business by taking all of the principal planks from its platform.

Parenthetically, I want to say a brief word to those Americans who approve of the New Deal-Fair Deal-Fabian revolution, and therefore might call this investigation a tempest in a teapot.

It is their privilege to do so, but it is my privilege to oppose this overt subversion of traditional American ideals.

I have fought it for 20 years during its steady progress, and as long as I continue to serve the public I will continue to fight it.

Although the Cox committee was not looking for Fabian socialism, the evidence presented before it disclosed to me what might be an important clue to the location of the nerve center of subversion in America—the left-wing intellectuals, whose prestige and influence seemed to be the product of the tax-exempt foundation grants.

I therefore suggested to the Congress that the investigation be extended.

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In doing so, I realized that if my suspicions were true all of the enormous power and prestige of the foundations, and to some extent that of the corporations from which they sprang, would be pitted against the committee.

If I were wrong, the investigation would cause no more excitement than did the Cox committee investigation.

I also realized that if my surmise concerning Fabian socialism was correct, every left-wing group that is participating in or benefiting from the intellectual revolution would join in the attack on the committee.

I also realized that the left-wing press and the pseudoconservative press would be under terrific pressure from these intellectuals and organizations to discredit the committee and distort the facts concerning its work.

What I did not realize was that this influence would reach even into the conservative press.

And from what has happened in the last month, it is obvious that the large foundations are trying to make certain that never again will a mere committee of the Congress have the temerity to look into their social and political science activities and into their financial power.

Let me review the method adopted by the committee.

After discussing with the staff the best and fairest method of approaching this inquiry, we decided to inform the foundations in advance of the main lines of investigation.

To me, this offered the foundations a tremendous advantage, knowing in advance the area of the inquiry.

But this step was violently attacked as prejudgment of the case, in spite of the fact that when the outline was presented by Mr. Dodd, the committee's director of research, he stated, and I quote:

As this report will hereafter contain many statements which appear to be conclusive, I emphasize here that each of them must be understood to have resulted from studies which were essentially exploratory: in no sense should they be considered proved.

As the hearings got under way, it became very obvious that the ranking minority member of the committee had no intention of permitting orderly hearings and was determined to discredit and harass the investigation.

Throughout the hearings Mr. HAYS assumed an attitude of aggressive suspicion and insulting distrust of the major-

ity members of the committee and of the committee staff.

He could not have made it clearer that he intended to frustrate to the limit of his abilities any orderly procedure.

It is interesting to note that Mr. HAYS, the minority member in question, is representative of the political group that has benefited most from the intellectual revolution that has taken place in America, and it seems probable to me that his rude, unreasoning, and ruthless attitude during the foundation hearings is one of defending an important source of New Deal strength in America.

I do not know whether one of Mr. HAYS' objectives was to force the discontinuance of the public hearings, but at least he was successful in making that decision necessary.

I would like to take a moment to describe to you the tactics of Mr. HAYS that eventually forced this action.

In his role of a skillful provocateur, he interrupted witnesses beyond all reason, attempting to frighten witnesses and to disorganize both their initial presentations and orderly interrogation by others.

During one of the 3-hour sessions, Mr. HAYS interrupted one witness 246 times.

During the public hearings he indulged in intemperate attacks upon the staff and upon the majority members of the committee.

He accused the chairman of lying and being a coward and accused Mr. Goodwin of duplicity and cowardice.

As an example of the Marxian technique of attacking a messenger when the message cannot be attacked, he cast aspersions upon the character and record of a distinguished Catholic nun, the daughter of Senator McCARRAN, whose scholarly work on Fabian socialism in Great Britain had been placed in evidence.

As further examples, Mr. HAYS characterized an outstanding group of American scholars appearing as committee witnesses as "crackpots," "dredged up" by the committee.

As was written to the chairman of the committee by the eminent Prof. Kenneth Colgrove, subsequent to his appearance before the committee, Mr. HAYS created, and I quote:

A fear among competent persons who might otherwise question the omniscience of the directors of those foundations. Wit-

nesses are thereby warned that no matter how objective their testimony, no matter how legitimate their questions, their character would be smeared and their testimony ridiculed.

In spite of the sniping by Mr. Hays Professor Colgrove was able, on a piecemeal basis, to get a very valuable body of evidence into the record concerning the deplorable lack of science contained in so many of the foundations' social science projects.

Actually, a great deal of so-called social science, as carried on with foundation funds, is little more than an elaborate argument that Government can take better care of the people than the people can take care of themselves.

Prof. A. H. Hobbs was criticized for his attack upon the Kinsey report, which initially was a foundation project.

Actually, anyone who had taken the time to examine this highly questionable statistical study cannot help but agree with Professor Hobbs, even if only for one reason, namely, that it makes a laughing stock of morality and reduces human love to the animal level.

In his letter to the chairman, Professor Colgrove also states:

Obviously, no self-respecting scholar would care to testify before such a committee under such circumstances.

When the truth is known concerning the work of this committee, a large section of the American press which printed virtually none of the competent and pertinent testimony presented to the committee and has printed practically all of Mr. Hays' tidbits of character assassination and so-called witty barbs, will be faced with an embarrassing situation.

It seems to me that a suitable subject for congressional investigation would be the source and nature of the pressure which is behind the terrific attack upon the committee by three large papers, in addition to the Daily Worker—the New York Times, the New York Herald Tribune, and the Washington Post and Times Herald.

The promptness and uniformity with which a large section of the press has attacked the committee's decision to discontinue the public hearings on the false ground that the foundations would thereby be deprived of a chance to defend themselves, indicates the thoroughness of the plans and press coverage behind Mr. Hays' effort to frustrate the hearings.

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Regarding the cry of injustice resulting from the discontinuance of the public hearings, let me point out that it is only common sense to conclude that no action could have been more favorable to the foundations because they were thereby given an opportunity to speak in their own defense and completely avoid having to substantiate their claims through cross-examination.

Some of the foundation answers have not yet been received, but thus far there has been very little to refute the basic suspicion that caused me to suggest this investigation, namely, that the large foundations have supplied the bulk of the money that has been used to lay the intellectual base for and perpetuate the prestige of the New Deal.

In fact, one of the briefs filed by the Carnegie group states that one of their projects which had been criticized as being socialistic, namely, the report of the Commission on Social Studies by the American Historical Association, was not socialistic.

Here are the exact words used by Mr. Charles Dollard, president of the Carnegie Corp. of New York, in refuting that charge.

I quote:

The worst that can be said is that the authors not only reported this trend but appeared to accept it cheerfully. What they were accepting was not socialism—it was the New Deal.

I believe that special attention should be given to the foundations' charge that the discontinuance of the hearings will deprive them of proper publicity for their filed statements.

A good example of the degree to which they will be penalized is found in a single issue of a single newspaper—the New York Times of July 25—published the day after the Ford Foundation released its statement attacking the committee.

In that 1 issue there were 3 completely favorable stories regarding the Ford Foundation, totaling approximately 4,000 words, that went into more than a million American homes.

One of the articles was a front-page feature carried over to the pages adjacent to the other two articles.

Nothing could have been planned more meticulously.

This was their own story and contained many derogatory statements which would have had to have been cor-

robored had the Ford Foundation been subjected to the normal procedure of cross-examination.

Every citizen who read the New York Times July 25—Sunday—was completely assured of the purity of the Ford Foundation.

It will be interesting to see how many words of these remarks are carried by the same paper.

In spite of the fact that through this superb public relations smear campaign in an effort to exonerate the tax-exempt foundations of all blame, even before the committee report has been prepared, I am determined that the committee work shall proceed normally, that an adequate public record shall be developed, and that a fair, objective report of findings will be rendered.

This is the task to which I have set myself and this is the task which I propose to finish, regardless of the forces attempting to stifle and discredit, the investigatory powers of this legislative body.

If I have seemed to have been silent under this abuse for too long a time, it is because I am confident that in the end the truth will prevail.

In summing up, I would like to speak with more bluntness than is my usual custom. This committee has been subjected to various and strange pressures and harassments. It began to be reviled

from many directions very early in its career.

A steady procession of condemnatory resolutions emanating from a puzzling assortment of organizations have followed its work. As I mentioned before, several of the major newspapers—notably the New York Times, the New York Herald Tribune, and the Washington Post and Times Herald—have joined with the Daily Worker in a steady, constant, almost daily campaign of savage attacks, both in editorials and what purported to be news reports.

These savage attacks have been of a nature so venomous and untruthful as to eliminate any explanation but one.

The attitude of the committee and of its staff and the occurrences at the hearings have been deliberately misrepresented to the public with such obviously intended malice that no explanation seems rational but that the power of some of the major foundations and their sycophants is truly great.

It has been said that the foundations are a power second only to that of the Federal Government itself. Perhaps this statement should be modified because it seems to have become an affront for a congressional committee to dare to subject foundations to criticism. Perhaps the Congress now should admit that the foundations have become more powerful, in some areas at least, than the legislative branch of the Government.

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